



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Infotec Development, Inc.

File: B-245299

Date: December 23, 1991

John P. Carey, Esq., Paul, Hastings, Janofsky & Walker, for the protester.
Gregory H. Petko'ff, Esq., and Karen J. Kinlin, Esq., Department of the Air Force, for the agency.
Aldo A. Benejam, Esq., and Andrew T. Pogany, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that proposal evaluation was unreasonable is denied where protester's technical proposal was properly downgraded in two areas found deficient by the technical evaluation panel, and the record contains no evidence that the agency deviated from the evaluation criteria announced in the solicitation or that the evaluation panel inconsistently rated technical factors for the awardee and the protester.

2. Selection on the basis of awardee's exceptional technical superiority, notwithstanding its higher cost, is unobjectionable where agency reasonably determined that awardee's higher-cost proposal for technical resource services was worth the additional cost, and cost/technical tradeoff was consistent with the evaluation scheme.

DECISION

Infotec Development, Inc. protests the award of a contract to bd Systems, Inc. under request for proposals (RFP) No. F04701-91-R-0018, issued by the Department of the Air Force to provide administrative and technical resource services for Launch Program Office Support at Vandenberg Air Force Base (AFB), California, and at Cape Canaveral Air Force Station, Florida. Infotec contends that the Air Force's evaluation of its proposal was unreasonable and inconsistent with the RFP's evaluation scheme, and that the agency improperly awarded the contract to a higher-cost offeror.

We deny the protest.

BACKGROUND

The RFP, issued on May 8, 1991, as a total small disadvantaged business set-aside, contemplated the award of a cost-plus-fixed-fee contract for an initial 30-day phase-in period with four 1-year option periods. Subsection L-2 required offerors to submit separate technical and cost proposals divided into five distinct volumes, and explicitly prescribed information to be contained in each, as follows: 1) Executive Summary; 2) Technical/Management; 3) Performance Data; 4) Cost Proposal; and 5) Documentation/ Administrative.

Section M of the RFP stated that for evaluation purposes, "Technical/Management" was more important than "Cost," but that cost would be a "substantial factor" in determining award. According to the RFP, cost, including all options, would be evaluated for realism, completeness and reasonableness and a most probable cost to the government would be developed for each offeror during the selection process.

The RFP listed three broad technical areas ("items") of equal importance that contained one or more technical factors. Item 1, Management Information Systems (MIS), contained the technical factor of Operations and Maintenance Methodology (O&M); item 2, Schedule Analysis, was listed with the technical factor of Analysis Methodology; and item 3, Logistics and Configuration, contained the two technical factors of Logistics Management Methodology and Configuration Management Methodology. The RFP advised offerors that the government would evaluate proposal risk, performance risk, and adherence to the terms and conditions of the RFP. The RFP also advised that the government reserved the right to make award on the basis of initial proposals, without holding discussions.

The agency received 13 proposals by the June 24 closing date. A Source Selection Evaluation Team (SSET) evaluated technical proposals by rating each factor according to a color-coded ratings scheme: blue (exceptional), green (acceptable), yellow (marginal), red (unacceptable). The evaluations were also supported by narratives describing the proposals, and delineating each offeror's strong and weak points. The SSET also assessed the level of proposal risk for each item as low, moderate, or high. A Performance Risk Analysis Group also conducted a performance risk assessment of each proposal based upon each offeror's current performance record.

Upon review, the SSET determined that only 7 of the 13 proposals, including the protester's and the awardee's, were technically acceptable. bd Systems received a rating of "exceptional" for the O&M factor, and "acceptable" in all

other factors; Infotec received a rating of "acceptable" in all factors. As for proposal risk, bd Systems received a risk rating of "Low" for each item, while Infotec received a "Moderate" risk rating for MIS and a "Low" rating for the other two items--schedule analysis and logistics and configuration management. SSET also found that bd Systems complied with all terms and conditions of the RFP, while Infotec did not; and that bd Systems submitted a complete, realistic, and reasonable cost proposal, while Infotec's cost was not realistic. Additionally, based upon the offerors' performance history, bd Systems received a performance risk rating of "Low," while Infotec received a rating of "N/A--Moderate."¹

On July 12, SSET presented the Source Selection Authority (SSA) with the results of the evaluation of all technical and cost proposals, and recommended that award be made without discussions. Based on an assessment of the evaluation results, the SSA determined that bd Systems's higher cost was offset by the firm's superior technical/management advantages, and its low proposal risks. Rather than holding discussions, the SSA elected to make award to bd Systems based on initial proposals. In an August 7 letter, the agency notified all unsuccessful offerors that the contract had been awarded to bd Systems in the total amount of \$6,258,068, including options. Infotec had proposed a total amount of \$4,999,034. This protest followed.

ANALYSIS

Infotec argues that the Air Force lacked a rational basis to determine bd Systems technically superior to Infotec, and that the award to bd Systems at a higher cost was therefore unjustified. Infotec also argues that in evaluating its proposal, the agency failed to follow the evaluation scheme announced in the RFP.

We will examine an evaluation of technical proposals to ensure that it was reasonable and consistent with the stated evaluation criteria. Fairfield Mach. Co., Inc., B-228015; B-228015.2, Dec. 7, 1987, 87-2 CPD ¶ 562. The protester has the burden of affirmatively proving its case and mere disagreement with an evaluation does not satisfy this requirement. Structural Analysis Techs., Inc., B-228020, Nov. 9, 1987, 87-2 CPD ¶ 466. Based upon our review of

¹The "N/A" rating indicated that Infotec had submitted no identifiable performance record. The "Moderate" rating reflected the SSET's conclusion that some doubt existed, based on Infotec's performance record, that Infotec could successfully perform the required effort.

Infotec's proposal, as well as the proposal submitted by bd Systems, and the evaluation documents, we find that the evaluation was reasonable and consistent with the evaluation criteria stated in the RFP.

Evaluation of Infotec's Proposal

In support of its rating of the O&M factor (the factor contained in the MIS item) as "acceptable" for Infotec, the SSET found that Infotec's intent to provide a full-time lead at Vandenberg AFB and Infotec's hardware maintenance experience were unclear. The protester argues that these two criticisms of its proposal are unsupported by the record. Infotec explains that in the "Labor Estimating Rationale" section of Volume IV, its cost proposal, Infotec identified three full-time positions related to MIS support at Vandenberg AFB. According to the protester, if the total number of required direct labor hours for that effort (6,240 hours for each option year) is divided by three (the number of positions identified in its cost proposal), the resulting number of labor hours (2,080) constitutes three full-time positions. Infotec thus argues that since its cost proposal clearly identified "MIS Lead" as a full-time position, the SSET's conclusion that Infotec's intention in this regard was unclear is unjustified.

Subsection L-2, the "Proposal Preparation Instructions" at paragraph 3.0, warned in no uncertain terms that

"No contract cost information should be contained in any volume other than Volumes IV and V. Likewise, only technical information that is required to substantiate cost should be included in the Cost Volume (Vol IV)." (Emphasis in original.)

Subsection L-2 of the RFP also contained detailed instructions on what information to specifically include in each volume in support of each factor to be evaluated.²

²As relevant to Infotec's allegations, the instructions for preparing Volume II, the technical/management proposal, stated:

"Each section of [Volume II] must include sufficient details to allow an evaluation of the offeror's soundness of proposed approach/ understanding of the job [and] demonstrate [its] ability to perform the routine MIS operations and maintenance, configuration management, schedule analysis, and logistics analysis which are proposed. . . . Responses should be specific,

Despite the RFP's warning and detailed instructions, Infotec only included information about the full-time MIS position at Vandenberg AFB in Volume IV, its cost proposal. The SSET's technical group, which did not evaluate cost proposals, thus had insufficient information in Infotec's technical proposal to fully evaluate Infotec's intent to provide a full-time MIS position at Vandenberg AFB. Although Infotec did include in Volume II the resume of one individual whose proposed assignment was identified as "MIS Lead," it nowhere indicated in that volume whether that individual would be filling a full-time position or her location. Accordingly, we find that the SSET reasonably concluded that Infotec's intent to provide a full-time lead at Vandenberg AFB was not clear and properly downgraded its proposal in the MIS technical area as a result.

The protester also argues that the SSET's conclusion concerning Infotec's hardware maintenance experience is unfounded. In this connection, the protester directs us to various sections within Volume III of its proposal, Performance Data, which it alleges is "replete" with examples of its hardware maintenance experience. While the sections Infotec references primarily concern the firm's technical and management experiences, and generally describe previous efforts, our review of Volume III of Infotec's proposal reveals no detailed information or clear examples of any alleged hardware maintenance experience. Accordingly, we also find that the SSET reasonably concluded that Infotec's experience in this area was unclear.

Since the SSET reasonably concluded that Infotec's intent to provide a full-time MIS lead at Vandenberg AFB was unclear, and that Infotec's hardware maintenance experience was also unclear, we conclude that the SSET properly downgraded Infotec's proposal risk rating to "Moderate" in the MIS area, and reasonably rated this area as only "acceptable."

Infotec also argues that the SSET unreasonably rated the other three factors--analysis methodology, logistics methodology, and configuration management methodology--as "acceptable," even though its proposal allegedly satisfied all the specific evaluation criteria to achieve a rating of "exceptional" for these factors.

demonstrate a detailed knowledge of requirements with plans to satisfy those requirements. . . . Each section should also relate the presented information to Volume IV of the offeror's proposal." (Emphasis added.)

Our review of Infotec's proposal, bd Systems's proposal, and the evaluation documents reveals no evidence that the SSET rated any of these factors inconsistently for the awardee and the protester. With respect to the logistics and the configuration management factors, for instance, it appears that the difference in opinion between the protester and the agency largely concerns the propriety of the SSET's evaluation of the individuals' resumes contained in the proposals, as to the extent, quality, and type of experience relevant to the required tasks. Apparently in an effort to exceed the requirements for a rating of "acceptable," both Infotec and bd Systems provided resumes of individuals who appear to have extensive experience covering various facets of logistics. Nevertheless, the record shows that the SSET similarly rated both proposals as only "acceptable" for the factors; the supporting narratives for both the awardee and Infotec equally reflect the SSET's conclusion that both firms had an excellent breadth of knowledge in all elements of the technical factors. Similarly, there is no evidence that the SSET inconsistently rated the analysis methodology factor for either bd Systems or Infotec. Infotec's mere disagreement with the SSET's technical evaluation is not sufficient to show that the evaluation was unreasonable. See Structural Analysis Techs., Inc., supra.

Cost/Technical Tradeoff

Infotec also alleges that the agency failed to fully justify its decision to award the contract to a higher-cost offeror. In short, Infotec questions the propriety of the cost/technical tradeoff.¹

In negotiated procurements where award is made on the basis of initial proposals, we have recognized that cost/technical tradeoffs may be made, and the extent to which one is sacrificed for the other is governed only by the tests of rationality and consistency with the established evaluation factors. See Frank E. Basil, Inc.; Jets Servs., Inc., B-208133, Jan. 25, 1983, 83-1 CPD ¶ 91. Here, we find

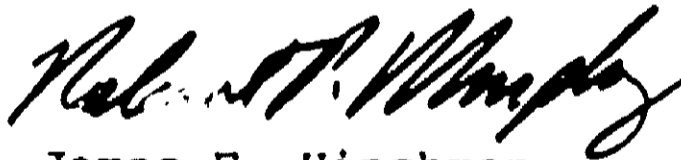
¹Infotec does not challenge the agency's decision to make award on the basis of initial proposals to a firm other than the low offeror. Rather, Infotec objects to the agency's cost/technical tradeoff decision. In this connection, we note that for procurements covered by Title 10 of the United States Code, 10 U.S.C. § 2305(b)(4)(A) was amended by the National Defense Authorization Act for Fiscal Year 1991, Pub. L. 101-510, § 802(d)(3)(A), 104 Stat. 1485, 1589 (1990), to delete the requirement that award based on initial proposals result in the lowest overall cost to the government. See Raytheon Co.--Recon., B-240333.2, Mar. 28, 1991, 91-1 CPD ¶ 334.

that the record supports the Air Force's cost/technical tradeoff.

The RFP provided that technical factors were more important than cost, and bd Systems's proposal was rated "exceptional" in the MIS area while Infotec's proposal was rated only "acceptable" in all areas. As for performance risk, bd Systems's proposal was considered to present a low risk in all areas, while Infotec's proposal received a "moderate" performance risk rating.

Additionally, the SSET's most probable cost analysis⁴ indicated that Infotec's proposed costs were unrealistic while bd Systems's proposed costs were realistic. Specifically, the SSET found that Infotec's proposed total cost exclusive of fixed fee but including options (\$4,631,737) was 35 percent below the independent government estimate for the requirement and 14 percent below its most probable cost of \$5,378,749; bd Systems's total proposed costs (\$5,906,624) were 18.7 percent below the government's estimate and nearly identical to its most probable cost of \$5,912,245. Thus, the difference in the most probable cost between the two offerors was \$533,496, which represented less than 10 percent of Infotec's most probable cost. Given the higher weight assigned to technical considerations by the RFP evaluation scheme, we think the SSA could reasonably determine that bd Systems's exceptional understanding of the requirement, its extensive experience, and the low risks associated with acceptance of its proposal was worth the approximately 10 percent higher cost. We therefore find the cost/technical tradeoff to be legally unobjectionable.

The protest is denied.


James F. Hinchman
General Counsel

⁴According to the agency, the "most probable cost" method of analysis assigns an estimated expected cost to required items, which are considered more accurate than the proposed costs, resulting in an upward or downward adjustment to some of the proposed costs. The record shows that in presenting its results to the SSA, the SSET's cost evaluation results included Infotec's and bd Systems's total proposed costs and the most probable cost developed for each offeror. The most probable cost analysis excluded the fixed fee.